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HOUSE BILL 609

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JEANNETTE WALLACE

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; REGARDING THE STATE
EQUALIZATION GUARANTEE DISTRIBUTION; AMENDING SECTION 22-8-25
NMSA 1978 (BEING LAWS 1981, CHAPTER 176, SECTION 5, AS AMENDED
BY LAWS 1993, CHAPTER 226, SECTION 23 AND ALSO BY LAWS 1993,
CHAPTER 231, SECTION 14).

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended by Laws 1993, Chapter 226,
Section 23 and also by Laws 1993, Chapter 231, Section 14) is
amended to read:

"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
DEFINITIONS-- DETERMINATION OF AMOUNT. --

A. The state equalization guarantee distribution is
that amount of money distributed to each school district to

1 ensure that the school district's operating revenue, including
2 its local and federal revenues as defined in this section, is at
3 least equal to the school district's program cost.

4 B. "Local revenue", as used in this section, means
5 ninety-five percent of receipts to the school district derived
6 from that amount produced by a school district property tax
7 applied at the rate of fifty cents (\$.50) to each one thousand
8 dollars (\$1,000) of net taxable value of property allocated to
9 the school district and to the assessed value of products
10 severed and sold in the school district as determined under the
11 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
12 value of equipment in the school district as determined under
13 the Oil and Gas Production Equipment Ad Valorem Tax Act.

14 C. "Federal revenue", as used in this section, means
15 ninety-five percent of receipts to the school district,
16 excluding amounts which, if taken into account in the
17 computation of the state equalization guarantee distribution,
18 result, under federal law or regulations, in a reduction in or
19 elimination of federal school funding otherwise receivable by
20 the school district, derived from the following:

21 (1) the school district's share of forest
22 reserve funds distributed in accordance with Section 22-8-33
23 NMSA 1978; and

24 (2) grants from the federal government as
25 assistance to those areas affected by federal activity

1 authorized in accordance with Sections 236 through 240 of Title
2 20 of the United States Code (commonly known as "PL 874 funds")
3 or an amount equal to the revenue the district was entitled to
4 receive if no application was made for such funds but deducting
5 from those grants the additional amounts to which school
6 districts would be entitled because of the provisions of
7 Subparagraph (D) of Paragraph (2) of Subsection (d) of Section
8 238 of Title 20 of the United States Code.

9 D. To determine the amount of the state equalization
10 guarantee distribution, the state superintendent shall:

11 (1) calculate the number of program units to
12 which each school district is entitled using the membership of
13 the fortieth day of the school year, except for school districts
14 with a MEM of 200 or less where the number of program units
15 shall be calculated on the fortieth day membership of either the
16 prior year or the current year, whichever is greater, for all
17 programs except special education, which shall be calculated by
18 using the membership on December 1 of the school year; or

19 (2) calculate the number of program units to
20 which a school district operating under an approved year-round
21 school calendar is entitled using the membership on an
22 appropriate date established by the state board;

23 (3) using the results of the calculations in
24 Paragraph (1) or (2) of this subsection and the instructional
25 staff training and experience index from the October report of

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1 the prior school year, establish a total program cost of the
2 school district;

3 (4) calculate the local and federal revenues as
4 defined in this section;

5 (5) deduct the sum of the calculations made in
6 Paragraph (4) of this subsection from the program cost
7 established in Paragraph (3) of this subsection; and

8 (6) deduct the total amount of guaranteed
9 energy savings contract payments that the state superintendent
10 determines will be made to the school district from the public
11 school energy efficiency fund during the fiscal year for which
12 the state equalization guarantee distribution is being computed.

13 E. The amount of the state equalization guarantee
14 distribution to which a school district is entitled is the
15 balance remaining after the deductions made in Paragraphs (5)
16 and (6) of Subsection D of this section.

17 F. The state equalization guarantee distribution
18 shall be distributed prior to June 30 of each fiscal year. The
19 calculation shall be based on the local and federal revenues
20 specified in this section received from June 1 of the previous
21 fiscal year through May 31 of the fiscal year for which the
22 state equalization guarantee distribution is being computed. In
23 the event that a district has received more state equalization
24 guarantee funds than its entitlement, a refund shall be made by
25 the district to the state general fund.

. 114162. 2

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1 G. Notwithstanding the methods of calculating the
2 state equalization guarantee distribution in this section and
3 Laws 1974, Chapter 8, Section 22, if a school district received
4 funds under [~~Section 2391 of Title~~] 42 USCA 2391 or 42 USCA
5 7256 and if the federal government takes into consideration
6 grants authorized by Sections 236 through 240 of Title 20 of the
7 United States Code and all other revenues available to the
8 school district in determining the level of federal support for
9 the school district for the sixty-fourth and succeeding fiscal
10 years, the state equalization guarantee distribution for school
11 districts receiving funds under this subsection shall be
12 computed as follows:

13 fiscal year program cost		prior fiscal year
14 excluding special education		state equalization
15 for the year for which the	x	guarantee distribution
16 state equalization guarantee		excluding special
17 <u>distribution is being computed</u>		education
18 prior fiscal year program cost		
19 excluding special education		

20 plus special education funding in accordance with Paragraphs (1)
21 or (2) and (3) of Subsection D of this section and Section 22-8-21
22 NMSA 1978 plus an amount that would be produced by applying a rate
23 of eight dollars forty-two and one-half cents (\$8.425) to each one
24 thousand dollars (\$1,000) of net taxable value of property as
25 defined in the Property Tax Code for property taxation purposes in

. 114162.2

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1 the school district and to each one thousand dollars (\$1,000) of
2 the assessed value of products severed and sold in the school
3 district as determined under the Oil and Gas Ad Valorem Production
4 Tax Act and upon the assessed value of equipment in the school
5 district as determined under the Oil and Gas Production Equipment
6 Ad Valorem Tax Act and then reduced by the total amount of
7 guaranteed energy savings contract payments, if any, that the
8 state superintendent determines will be made to the school
9 district from the public school energy efficiency fund during the
10 fiscal year for which the state equalization guarantee
11 distribution is being computed, equals the fiscal year state
12 equalization guarantee distribution for the year for which the
13 state equalization guarantee distribution is being computed.

14 If at any time grants from the federal government as
15 assistance to those areas affected by federal activity authorized
16 in accordance with Sections 236 through 240 of Title 20 of the
17 United States Code (commonly known as "PL 874 funds") are reduced
18 or are no longer available, the state equalization guarantee
19 distribution shall be computed by the formula contained in this
20 subsection plus an increase by fifty percent of the amount the
21 prior year's PL 874 funds exceed PL 874 funds for the year for
22 which the state equalization guarantee distribution is being
23 computed. "